

## Summary of Consolidated 1st Quarter Results FY2004 ending March 2005

### Tokyo Gas Co., Ltd.

(URL <http://www.tokyo-gas.co.jp/>)

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### 1. Items Used to Compile Financial Information for the Quarter

1) Adoption of simplified methods in accounting practices (yes/no): *Yes*

(Details)

• Method of depreciation of fixed assets:	Part of our estimated first half consolidated depreciation expense has been charged in the first quarter.
• Basis for the calculation of corporation tax, etc.:	Calculated by multiplying quarterly income before tax, etc., by the estimated effective consolidated tax rate at the end of the fiscal year.

2) Any differences between the accounting practices used here and those used in preparing consolidated accounts for the previous business year (yes/no): *No*

3) Changes in the scope of consolidation and interests accounted for by the equity method (yes/no): *Yes*

(Changes)

Newly included in scope of consolidation:	33 companies
Excluded:	0 companies
Newly accounted for by equity method:	0 companies
Excluded:	0 companies

This was cited as one of the pillars in the building of the group management structure in our medium term management plan "Frontier 2007," formulated in October 2002. Based on this, we implemented the strategic business unit system on April 1, 2004. We used this as the opportunity to expand the scope of consolidation within the group, increasing the number of consolidated subsidiaries from 18 in FY2003 ended March 2004 to 51 in FY2004 ending March 2005.

The 33 new consolidated subsidiaries are as below.

Tokyo Gas Toyosu Development Co., Ltd., Tokyo Gas Yokosuka Power Co., Ltd., Dining Art Systems Co., Ltd., Living Design Center Co., Ltd., Tokyo Gas Baypower Co., Ltd., Toyoko Engineering Co., Ltd., East Japan Housing Evaluation Center Co., Ltd., Tokyo Carbonic Co., Ltd., Japan Super Freeze Co., Ltd., TG Telemarketing Co., Ltd., Green Tech Tokyo Co., Ltd., Miho Gas Co., Ltd., Shoei Gas Co., Ltd., Tokyo Gas Sports Co., Ltd., TG Auto Service Co., Ltd., Tokyo Gas Remodelling Co., Ltd., Saginomiya Gas Co., Ltd., Urban Communications, Inc., Tochigi Gas Co., Ltd., Tokyo Gas Techno-Service Co., Ltd., Tokyo Gas Building Service Co., Ltd., Toeki Service Center Co., Ltd., Showa Bussan KK, TOSETZ, Chiba Gas Urban Service Co., Ltd., TOYOKO LIVING Co., Ltd., Kanpai Customer Service C., Ltd., Toyoko Customer Service Co., Ltd., Showa Unyu Co., Ltd.00, Tokyo Plant Service Co., Ltd., Tokyo Rare Gases Company Limited, Tokyo Auto Gas Co., Ltd., Tokyo Kiko Co., Ltd.

## 2. Summary of 1st Quarter Results for FY2004 ending March 2005 (April 1, 2004 - June 30, 2004)

### (1) Consolidated Business Results

(Rounded down to the nearest million yen)

	Sales		Operating Income		Ordinary Income		Net Income	
	(Unit: ¥ million)	(%)	(Unit: ¥ million)	(%)	(Unit: ¥ million)	(%)	(Unit: ¥ million)	(%)
1st Quarter of FY2004	264,543	0.9	42,833	11.8	41,747	16.8	25,900	17.4
1st Quarter of FY2003	262,248	-	38,316	-	35,747	-	22,076	-
Reference: FY2003 (full year)	1,151,824		152,287		131,093		44,787	

	Net Earnings per Share	Net Earnings per Share Adjusted for Latent Shares
	(Unit: ¥1)	(Unit: ¥1)
1st Quarter of FY2004	9.59	8.57
1st Quarter of FY2003	8.00	7.13
Reference: FY2003 (full year)	16.44	14.98

Note: Figures in the percent columns indicate percentage changes in (quarterly) Sales, Operating Income, Ordinary Income, and Net Income compared with the same quarter of the previous year.

#### Qualitative Data Concerning our Consolidated Business Performance

Although first-quarter (April - June 2004) gas sales volume achieved steady growth, up 7.9% compared to the first quarter of last year to 2,757 million m<sup>3</sup>, gas sales fell by 0.8% to ¥198.3 billion. This was due to such factors as a decrease in residential demand and an adjustment in unit prices based on the raw material cost adjustment system. In contrast, consolidated sales overall rose by 0.9% to ¥264.5 billion with the expansion in the scope of consolidation from the current year increasing the number of consolidated subsidiaries from 18 last year to 51 this year.

Meanwhile, in terms of costs, operating expenses overall fell 1.0% to ¥221.7 billion despite the expansion in the scope of consolidation as we have repeatedly made the utmost efforts to control costs in order to promote even greater business efficiency.

As a result, operating income rose 11.8% over the same quarter last year to ¥42.8 billion while ordinary income was up 16.8% to ¥41.7 billion and net income for the quarter increased by 17.4% to ¥25.9 billion.

Since gas, which is characterized by clear seasonal fluctuations, accounts for a high proportion of group sales, we expect to record an ordinary loss in the second quarter (July - September).

For this reason, the first-quarter business results exceed our forecasts for the interim period.

Moreover, comparing first-quarter results based on the expanded scope of consolidation with results based on the previous scope of consolidation, sales, operating income and ordinary income increased by ¥5,575 million, ¥208 million, and ¥114 million respectively while net income for the quarter declined by ¥70 million.

### (2) Changes in Consolidated Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	(Unit: ¥ million)	(Unit: ¥ million)	(Unit: %)	(Unit: ¥1)
1st Quarter of FY2004	1,670,880	625,536	37.8	231.59
1st Quarter of FY2003	1,637,211	587,738	35.9	213.62
Reference: FY2003 (full year)	1,666,828	598,453	35.9	221.53

#### Qualitative Data Concerning Changes in our Consolidated Financial Position

Despite the decline in Accounts Receivable, total assets increased to ¥1,670.8 billion, up ¥4.0 billion compared with the year ended March 2004, due to the expansion in the scope of consolidation.

Net income for the quarter boosted shareholders' equity by ¥27.0 billion to ¥625.5 billion.

As a result of the high rate of increase in shareholders' equity in comparison with the rate of increase in total assets, our shareholders' equity ratio rose 1.5 points to 37.4%.

In addition, shareholders' equity per share rose ¥10.06 to ¥231.59.

**(3) Consolidated Cash Flow**

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Balance of cash and cash equivalents as of end of term
	(Unit: ¥ million)	(Unit: ¥ million)	(Unit: ¥ million)	(Unit: ¥ million)
1st Quarter of FY2004	14,706	-27,671	13,769	51,969
1st Quarter of FY2003	1,422	-44,873	8,522	17,201
Reference: FY 2003 (full year)	217,608	-126,038	-99,744	43,960

**Reference 1: Summary of Non-consolidated 1st Quarter Results (April 1, 2004 - June 30, 2004)**

	Sales	Operating Income	Ordinary Income	Net Income
	(Unit: ¥ million)	(Unit: ¥ million)	(Unit: ¥ million)	(Unit: ¥ million)
1st Quarter of FY2004	231,749	37,703	39,050	25,010
1st Quarter of FY2003	234,510	32,717	32,786	21,365

	Total Assets	Shareholders' Equity
	(Unit: ¥ million)	(Unit: ¥ million)
1st Quarter of FY2004	1,389,705	552,592
1st Quarter of FY2003	1,354,817	535,062

**3. Consolidated results forecast for the year ending March 2005 (April 1, 2004 - March 31, 2005)**

	Sales	Ordinary Income	Net Income
	(Unit: ¥ million)	(Unit: ¥ million)	(Unit: ¥ million)
Interim	511,000	36,000	24,000
Full year	1,204,000	131,000	86,000

Notes: 1) Forecast Net Income per Share (full year): ¥31.82  
2) Forecast Ordinary Income (full year): ¥143,000 million

**Qualitative Data Concerning Results Forecasts**

Based on current trends, we expect first-half sales to fall ¥5.0 billion to ¥511.0 billion compared with our consolidated results forecast published in our FY2003 Results Bulletin released on April 28, 2004. We forecast ordinary income of ¥36.0 billion and net income for the first half of ¥24.0 billion, both as previously announced.

In our full-year forecast, we expect sales to rise by ¥7.0 billion to ¥1,204.0 billion with ordinary income of ¥131.0 billion and net income of ¥86.0 billion as in our original forecast.

**Reference 2: Non-consolidated Forecast for the Year Ending March 2005 (April 1, 2004 - March 31, 2005)**

	Sales	Ordinary Income	Net Income
	(Unit: ¥ million)	(Unit: ¥ million)	(Unit: ¥ million)
Interim	438,000	35,000	24,000
Full year	1,013,000	119,000	79,000

Notes: 1) Forecast Net Income per Share (full year): ¥29.22  
2) Forecast Ordinary Income (full year): ¥123,000 million

\* The forecast above was prepared on the basis of information available at the time of the release of this document. Due to various factors, the actual result may vary from the forecast data.

## <Appendix>

### 1. Corporate Group Status

The group is composed of Tokyo Gas Co., Ltd., and 113 affiliated companies (64 subsidiaries and 49 affiliates). Fifty-one of these companies are consolidated subsidiaries and one is an equity method affiliate. Business segments are composed of Gas, Gas appliances, Contracted construction work, Real estate leases (see Note), and Other business.

The main business lines operated by Tokyo Gas and the companies included in consolidated accounts and a demarcation into companies that were consolidated previously and companies that have been consolidated since the current first quarter are as below by business category.

Note: As a result of a review of business lines, we changed the name of the former Building leases segment to the Real estate leases segment from the current quarter to more accurately express actual business circumstances. This change does not affect results.

Segment by business category	Previously consolidated companies	Companies newly consolidated since the current 1st quarter
Gas	Tokyo Gas Co., Ltd., Chiba Gas Co., Ltd., Tsukuba Gakuen Gas Co., Ltd.	Miho Gas Co., Ltd., Shoei Gas Co., Ltd., Saginomiya Gas Co., Ltd., Tochigi Gas Co., Ltd.
Gas appliances	Tokyo Gas Co., Ltd., Gastar Co., Ltd., Kanpai Co., Ltd., Tokyo Gas Energy Co., Ltd., Chiba Gas Co., Ltd., Tsukuba Gakuen Gas Co., Ltd., Kanpai Living Service Co., Ltd.	Toyoko Engineering Co., Ltd., Miho Gas Co., Ltd., Shoei Gas Co., Ltd., Saginomiya Gas Co., Ltd., Tochigi Gas Co., Ltd., Toyoko Living Co., Ltd., Tokyo Kiko Co., Ltd.
Contracted construction work	Tokyo Gas Co., Ltd., Kanpai Co., Ltd., Chiba Gas Co., Ltd., Tsukuba Gakuen Gas Co., Ltd.	Toyoko Engineering Co., Ltd., Miho Gas Co., Ltd., Shoei Gas Co., Ltd., Saginomiya Gas Co., Ltd., Tochigi Gas Co., Ltd.
Real estate leases	Tokyo Gas Urban Development Co., Ltd., Gastar Co., Ltd., Kanpai Co., Ltd., TG Enterprise Co., Ltd.	Tokyo Gas Toyosu Development Co., Ltd.
Other businesses	Tokyo Gas Co., Ltd., Energy Advance Co., Ltd., Kanpai Co., Ltd., Tokyo LNG Tanker Co., Ltd., Tokyo Gas Energy Co., Ltd., Tokyo Gas Chemicals Co., Ltd., Park Tower Hotel Co., Ltd., Chiba Gas Co., Ltd., TG Credit Service Co., Ltd., Tokyo Oxygen and Nitrogen Co., Ltd., TG Information Network Co., Ltd., Tsukuba Gakuen Gas Co., Ltd., TG Enterprise Co., Ltd., Tokyo Gas Engineering Co., Ltd., Tokyo Gas Customer Service Co., Ltd., TG IT Service Co., Ltd.	Tokyo Gas Yokosuka Power Co., Ltd., Dining Art Systems Co., Ltd., Living Design Center Co., Ltd., Tokyo Gas Baypower Co., Ltd., Toyoko Engineering Co., Ltd., East Japan Housing Evaluation Center Co., Ltd., Tokyo Carbonic Co., Ltd., Japan Super Freeze Co., Ltd., TG Telemarketing Co., Ltd., Green Tech Tokyo Co., Ltd., Miho Gas Co., Ltd., Tokyo Gas Sports., Co., Ltd., TG Auto Service Co., Ltd., Tokyo gas Remodeling Co., Ltd., Urban Communications, Inc., Tochigi Gas Co., Ltd., Tokyo Gas Techno-Service Co., Ltd., Tokyo Gas Building Service Co., Ltd., Toeki Service Center Co., Ltd., Showa Bussan Co., Ltd., Tosetz Co., Ltd., Chiba Gas Urban Service Co., Ltd., Kanpai Customer Service C., Ltd., Toyoko Customer Service Co., Ltd., Showa Unyu Co., Ltd., Tokyo Plant Service Co., Ltd., Tokyo Rare Gases Company Limited, Tokyo Auto Gas Co., Ltd.

## 2. Consolidated 1st Quarter Balance Sheet

(Unit: ¥ million)

Account	1st Quarter of FY2004 (ended Jun. 30, 2004)	FY2003 (ended Mar. 31, 2004)	Change	1st Quarter of FY2003 (ended Jun. 30, 2003)
<b>ASSETS</b>				
<b>Fixed assets</b>	1,404,654	1,407,725	-3,071	1,410,205
<b>Tangible fixed assets</b>	1,188,916	1,170,428	18,488	1,200,132
Production facilities	240,941	245,284	-4,343	235,597
Distribution facilities	530,578	533,407	-2,829	533,391
Business facilities	61,758	61,488	270	70,341
Other facilities	309,896	291,752	18,144	283,153
Idle facilities	—	—	—	5
Construction in progress	45,741	38,496	7,245	77,642
<b>Intangible fixed assets</b>	23,081	18,856	4,225	20,407
Consolidation adjustment account	3,200	—	3,200	—
Other intangible fixed assets	19,800	18,856	1,024	20,407
<b>Investments, etc.</b>	192,656	218,440	-25,784	189,665
Investment securities	92,979	108,485	-15,506	88,312
Long-term loans receivable	2,553	13,230	-10,677	11,781
Deferred tax assets	52,843	51,251	1,592	41,879
Miscellaneous investments	46,846	47,131	-285	49,988
Allowances for doubtful accounts	-2,566	-1,658	-908	-2,296
<b>Current assets</b>	266,226	259,102	7,124	227,005
Cash and deposits	35,719	48,605	-12,886	20,994
Notes and accounts receivable	99,794	125,244	-25,450	99,683
Inventories	26,515	22,826	3,689	25,136
Deferred tax assets	13,045	11,587	1,458	12,256
Other current assets	92,346	52,053	40,293	70,119
Allowances for doubtful accounts	-1,194	-1,215	21	-1,185
<b>Total Assets</b>	<b>1,670,880</b>	<b>1,666,828</b>	<b>4,052</b>	<b>1,637,211</b>

(Unit: ¥ million)

Account	1st Quarter of FY2004 (ended Jun. 30, 2004)	FY2003 (ended Mar. 31, 2004)	Change	1st Quarter of FY2003 (ended Jun. 30, 2003)
<b>LIABILITIES</b>				
<b>Fixed liabilities</b>	756,748	734,345	22,403	770,729
Straight bonds	313,833	283,833	30,000	274,633
Convertible bonds	99,928	99,928	—	182,814
Long-term bank loans payable	160,058	162,083	-2,025	162,157
Deferred tax liabilities	2,494	2,395	99	1,126
Retirement benefit reserve	153,058	157,808	-4,750	118,733
Allowances for repairs of gas holders	3,510	3,444	66	3,558
Other fixed liabilities	23,865	24,853	-988	27,705
<b>Current liabilities</b>	283,534	329,770	-46,236	274,666
Fixed liabilities due within one year	111,569	107,020	4,549	82,413
Notes and accounts payable	38,798	35,747	3,051	31,319
Short-term bank loans payable	24,413	30,029	-5,616	39,708
Corporation tax payable, etc.	19,032	39,000	-19,968	16,323
Deferred tax liabilities	32	—	32	13
Other current liabilities	89,688	117,973	-28,285	104,888
<b>Total Liabilities</b>	1,040,283	1,064,116	-23,833	1,045,396
<b>Minority Interest</b>	5,060	4,258	802	4,077
<b>SHAREHOLDER'S EQUITY</b>				
Common stock	141,844	141,844	—	141,844
Capital surplus	2,066	2,065	1	2,065
Retained earnings	486,803	457,924	28,879	443,317
Unrealized gains on other securities	33,953	35,654	-1,701	21,388
Translation adjustment account	-289	-227	-62	9
Treasury stock	-38,841	-38,808	-33	-20,887
<b>Total shareholders' Equity</b>	625,536	598,453	27,083	587,738
<b>Total Liabilities, Minority Interest and Shareholders' Equity</b>	1,670,880	1,666,828	4,052	1,637,211

### 3. Consolidated 1st Quarter Statement of Income

(Unit: ¥ million)

Account	1st Quarter of FY2004 (Apr. - Jun. 2004)	1st Quarter of FY2003 (Apr. - Jun. 2003)	Change	FY2003 (Apr. 2003-Mar. 2004)
Sales	264,543	262,248	2,295	1,151,824
Cost of sales	122,743	123,977	-1,234	578,529
<b>Gross Income</b>	<b>141,799</b>	<b>138,270</b>	<b>3,529</b>	<b>573,294</b>
Supply and sales expenses	82,380	83,846	-1,466	345,572
General and administrative expenses	16,585	16,108	477	75,434
<b>Operating Income</b>	<b>42,833</b>	<b>38,316</b>	<b>4,517</b>	<b>152,287</b>
<b>Non-operating Income</b>	<b>3,508</b>	<b>2,541</b>	<b>967</b>	<b>9,131</b>
Interest income	52	83	-31	346
Dividend income	606	806	-200	1,051
Return on investment accounted for by equity method	41	50	-9	236
Income from rents	—	274	-274	1,006
Balance on environmental conditioning costs	—	—	—	1,650
Adjustment gains on weather derivatives	384	—	384	—
Miscellaneous revenues	2,424	1,325	1,099	4,840
<b>Non-operating expenses</b>	<b>4,594</b>	<b>5,109</b>	<b>-515</b>	<b>30,324</b>
Interest paid	3,219	3,604	-385	14,822
Balance on commissioned construction	682	863	-181	4,144
Loss from debenture redemption	—	—	—	6,574
Miscellaneous expenditures	693	641	52	4,782
<b>Ordinary Income</b>	<b>41,747</b>	<b>35,747</b>	<b>6,000</b>	<b>131,093</b>
<b>Extraordinary profits</b>	<b>—</b>	<b>269</b>	<b>-269</b>	<b>8,413</b>
Gain on sales of fixed assets	—	—	—	2,159
Gain on sales of investment securities	—	269	-269	589
Gain on breakdown of retirement benefit reserve accompanying changes to corporate pension system	—	—	—	5,664
<b>Extraordinary losses</b>	<b>22</b>	<b>811</b>	<b>-789</b>	<b>66,375</b>
Loss from sale of fixed assets	22	811	-789	2,490
Losses on compression of fixed assets	—	—	—	1,607
Losses on impairment of fixed assets	—	—	—	3,321
One-off write-off of retirement benefit actuarial differences	—	—	—	58,956
<b>Net Income before adjustment for tax, etc.</b>	<b>41,724</b>	<b>35,206</b>	<b>6,518</b>	<b>73,131</b>
Corporate tax, residence tax and business tax	15,461	12,806	2,655	44,266
Adjustment for corporate taxes, etc.	224	231	-7	-16,366
Minority shareholder profit (loss)	129	91	38	444
<b>Net Income</b>	<b>25,909</b>	<b>22,076</b>	<b>3,833</b>	<b>44,787</b>

#### 4. 1st Quarter Statement of Consolidated Retained Earnings

(Unit: ¥ million)

Account	1st Quarter of FY2004 (Apr. - Jun. 2004)		FY2003 (Apr. 2003 - Mar. 2004)		1st Quarter of FY2003 (Apr. - Jun. 2003)	
<b>Capital Surplus</b>						
Initial balance of capital surplus		2,065		2,065		2,065
Increase in capital surplus		0		—		—
Gains on disposal of treasury stock		0		—		—
End of the term balance of capital surplus		2,066		2,065		2,065
<b>Retained Earnings</b>						
Initial balance of retained earnings		457,924		429,652		429,652
Increase in retained earnings						
Net Income	25,909		44,787		22,076	
Increase in surplus due to increase in consolidated subsidiaries	13,839	39,749	—	44,787	—	22,076
Decrease in retained earnings						
Dividends	10,804		16,438		8,334	
Directors' bonuses	65	10,869	76	16,515	76	8,410
End of the term balance of retained earnings		486,803		457,924		443,317



## 5. 1st Quarter Consolidated Statement of Cash Flows

(Unit: ¥ million)

Account	1st Quarter of FY2004 (Apr. - Jun. 2004)	1st Quarter of FY2003 (Apr. -Jun. 2003)	FY2003 (Apr. '03 - Mar. '04)
<b>I. Cash flow from operating activities</b>			
Net Income before adjustment for tax, etc.	41,724	35,206	73,131
Depreciation	33,302	35,550	143,128
Impairment losses	-	—	3,321
Amortization of long-term prepaid expenses	922	842	3,766
Loss on retirement of tangible fixed assets	644	—	3,790
Gain/loss on sale of fixed assets	—	811	672
Loss on compression of fixed assets	—	—	1,607
Profit/loss on sale of investment securities	—	—	-588
Profit/loss on valuation of investment securities	—	—	526
Loss from debenture redemption	—	—	6,574
Change in provision for retirement benefits	-5,877	-2,162	36,912
Interest and dividends earned	-658	-890	-1,398
Interest paid	3,219	3,604	14,822
Change in accounts receivable	37,755	37,108	5,156
Change in inventories	-1,857	-4,011	-1,701
Change in accounts payable	-35,999	-33,112	—
Change in consumption tax payable	—	-3,636	-1,551
Change in prepaid expenses	-12,627	-11,776	—
Other	-9,053	-17,995	-10,375
Sub-total	51,494	39,538	277,797
Proceeds from interest and dividends	629	866	1,380
Payment of interest	-3,819	-3,957	-15,053
Payment of corporate tax, etc.	-33,598	-35,025	-46,516
Cash flow from operating activities	14,706	1,422	217,608
<b>II. Cash flow from investing activities</b>			
Purchases of investment securities	-1,905	-10,087	-15,371
Proceeds from sale of investment securities, etc.	—	—	7,683
Purchases of tangible fixed assets	-29,394	-31,387	-101,011
Purchases of intangible fixed assets	-2,088	-1,221	-12,211
Spending on long-term prepaid expenses	—	-1,277	-2,103
Proceeds from sale of fixed assets	—	—	1,234
Expenditures based on lending for long-term loans	—	-1,654	-3,886
Proceeds from recovery of long-term loans receivables	4,314	—	894
Net change in short-term loans	—	—	-520
Other	1,402	755	-747
Cash flow from investing activities	-27,671	-44,873	-126,038
<b>III. Cash flow from financing activities</b>			
Net change in short-term debt	-3,400	-2,192	-11,870
Net change in commercial paper	3,000	9,000	—
Proceeds from long-term debt	2,806	9,240	37,789
Payments for long-term debt	-5,830	-16,756	-52,228
Proceeds from bond issues	30,000	20,000	50,000
Payments for redemption of bonds	-3,000	—	-78,813
Dividend payments	-9,574	-687	-16,425
Payment of dividends to minority shareholders	-198	-56	-56
Payment to minority shareholders on account of Capital reduction	—	—	-184
Proceeds from sale of treasury stock	4	—	82
Payments for acquiring treasury stock	-37	-10,025	-28,037
Cash flow from financing activities	13,769	8,522	-99,744
<b>IV. Difference due to conversion of cash and cash equivalents</b>	—	—	5
<b>V. Change in cash and cash equivalents</b>	804	-34,928	-8,169
<b>VI. Increase in cash and cash equivalents due to new consolidation</b>	7,204	—	—
<b>VII. Cash and cash equivalents at beginning of term</b>	43,960	52,129	52,129
<b>VII. Cash and cash equivalents at end of term</b>	51,969	17,201	43,960

## 6. Segment Information

### (1) Segment information by category of business

(Unit: ¥ million)

		Gas	Gas appliances	Contracted construction work	Real estate leases (See Note)	Other business	Total	Corporate and eliminations	Consolidated
1st Quarter of FY2004	I. Sales								
	(1) External sales	196,548	24,850	10,499	3,036	29,608	264,543	-	264,543
	(2) Intersegment sales and transfers	1,765	500	892	4,991	15,541	23,692	(23,692)	-
	Total	198,314	25,350	11,391	8,028	45,149	288,235	(23,692)	264,543
	Operating expenses	146,085	23,595	12,048	6,187	42,645	230,563	(8,853)	221,710
	Operating profit (loss)	52,228	1,755	(656)	1,840	2,504	57,671	(14,838)	42,833
1st Quarter of FY2003	I. Sales								
	(1) External sales	199,019	26,434	11,438	3,560	21,796	262,248	-	262,248
	(2) Intersegment sales and transfers	805	330	784	5,200	8,431	15,551	(15,551)	-
	Total	199,824	26,764	12,222	8,761	30,227	277,800	(15,551)	262,248
	Operating expenses	152,988	24,685	12,280	6,482	28,615	225,052	(1,220)	223,932
	Operating profit (loss)	46,835	2,079	(57)	2,278	1,612	52,748	(14,431)	38,316
FY2003 (full year)	I. Sales								
	(1) External sales	826,566	132,254	64,944	14,150	113,909	1,151,824	—	1,151,824
	(2) Intersegment sales and transfers	4,547	1,619	3,089	21,292	58,251	88,800	(88,800)	—
	Total	831,114	133,873	68,033	35,443	172,160	1,240,625	(88,800)	1,151,824
	Operating expenses	641,748	125,969	63,578	27,561	160,889	1,019,746	(20,209)	999,537
	Operating profit (loss)	189,365	7,904	4,455	7,882	11,270	220,878	(68,591)	152,287

Note: As a result of a review of business lines, we changed the name of the former Building leases segment to the Real estate leases segment from the current quarter to more accurately express actual business circumstances. The change does not affect results.

### (2) Segment information by location

Not applicable due to absence of overseas consolidated subsidiaries.

### (3) Overseas sales

Not included due to insignificance of overseas sales as a proportion of consolidated sales.

## 7. Non-consolidated First-quarter Results

### Gas Sales Volume for 1st Quarter, FY2004

			1st Quarter, FY2004 (Apr. - Jun. 2004)	1st Quarter, FY2003 (Apr. - Jun. 2003)	Change	% Change	
No. of Customers	Thousand		9,466	9,268	198	2.1	
Gas sales volume	Residential	m <sup>3</sup> (Note 1)	32.23	33.78	-1.55	-4.6	
		Mil. m <sup>3</sup>	782	807	-25	-3.0	
	Business	Commercial	Mil. m <sup>3</sup>	431	413	18	4.6
		Other (Note 2)	Mil. m <sup>3</sup>	175	170	5	2.8
	Industrial	Mil. m <sup>3</sup>	1,057	892	165	18.5	
	Bus./Ind. Sub total	Mil. m <sup>3</sup>	1,663	1,475	188	12.8	
	Wholesales supply	Mil. m <sup>3</sup>	306	271	35	12.7	
	Total	Mil. m <sup>3</sup>	2,751	2,553	198	7.8	
Average temperature	°C		19.9	19.0	0.9	—	

- Notes: 1. The upper row of figures for residential demand indicates gas sales per meter read (m<sup>3</sup>/household/month)  
2. "Other" for business demand indicates sales to public and medical institutions.

### Income and Expenditure for 1st Quarter, FY2004

(Unit: ¥100 million)

Income		Change from 1st Quarter of FY 2003	Rate (%)	Expenditure		Change from 1st Quarter of FY2003	Rate (%)		
Product sales	Gas sales	1,958	-20	-1.0	Operating expenses	Cost of sales	694	-43	-5.9
						Sales and administrative expenses	908	-27	-2.9
						Sub total	1602	-71	-4.3
Other sales	Related Construction	98	-11	-9.7	Other expenses	Related construction	101	-9	-8.6
	Gas appliance sales.	220	-3	-1.7		Gas appliance sales	197	-5	-2.5
	Associated businesses	39	7	22.4		Associated businesses	39	8	26.8
	Sub total	358	-8	-2.0		Sub total	338	-6	-1.8
Total sales	2,317	-28	-1.2	Total expenses	1,940	-77	-3.8		
				Operating income	377	50	15.2		
Non-operating income	50	7	16.2	Non-operating expenses	36	-6	-13.7		
				Ordinary income	390	63	19.1		
Extraordinary profit	—	-2	-100.0	Extraordinary loss	—	—	—		
				Net income	250	37	17.1		

- Notes: 1. Cost of sales includes the cost of raw materials of ¥61.8 billion (no change from 1st Quarter of FY2003).  
2. Non-operating expenses include interest expenses of ¥2.4 billion (decreased by ¥0.4 billion, or -11.4%, from 1st Quarter of FY2003).